

ADDITION OF CALIFORNIA CODE OF REGULATIONS

TITLE 2. ADMINISTRATION

DIVISION 3. STATE PROPERTY OPERATIONS

CHAPTER 1. STATE LANDS COMMISSION

ARTICLE 14. ADMINISTRATIVE HEARINGS

SUPPLEMENT TO INITIAL STATEMENT OF REASONS

**SUPPLEMENT TO ECONOMIC IMPACT ASSESSMENT – GOVERNMENT CODE
SECTION 11346.9(a)(5)**

Existing law requires Commission Authorization for Structures on State Land. The Trespass Statute (Public Resources Code 6224.3, 6224.4, and 6224.5) provides administrative penalties for unauthorized Structures. The California Legislature considered the economic impacts of requiring Commission Authorization, of addressing violating Structures through an administrative process, and imposing penalties of up to one thousand dollars (\$1,000) a day for unauthorized Structures when the Trespass Statute was passed. The current rulemaking specifies the process for these hearings. The Trespass Statute specifies the range of potential penalties, and the current rulemaking does not expand these penalties beyond the authorized range or create new penalties. Because the economic impact of imposing penalties up to one thousand dollars (\$1,000) per day was already considered by the Legislature, the fines within this range are not considered as an economic impact in the current rulemaking. Accordingly, the economic impact of this rulemaking is limited to a consideration of whether the proposed process creates new and significant economic impacts.

Although the current rulemaking adds additional detail and specificity, the Trespass Statute contemplates the use of a Notice of Violation, the service of the Notice of Violation, and a public hearing at a regularly noticed Commission meeting. The economic impacts of these procedures to both the Commission and the regulated community was considered by the Legislature and need not be considered again. The remainder of the proposed rulemaking specifies the content of the Notice of Violation, the content of the Statement of Defense form, the procedure for service, the briefing schedule, the hearing procedure, and the procedure for delivering the final decision. These procedural clarifications have no significant economic impacts. Because the fines are within the range specified in the Trespass Statute, and the proposed rulemaking simply interprets and makes specific the procedures contemplated by the Trespass Statute, there are no significant economic impacts created by this rulemaking.

As further support of a finding of no economic impact, the number of hearings in a given year will be extremely limited. The Trespass Statute specifies that the hearings will be before the Commission at a regularly scheduled meeting. The Commission currently meets six times a year. A typical meeting agenda includes more than 100 other items to consider. Simply put, the Commission has a limited amount of time to devote to lengthy administrative hearings. Considering the meeting time limitations and limited staff resources available to prepare a matter for hearing, Commission staff expect eighteen (18) or less hearings in a given year. The limited scope of these hearings also supports a finding of no significant statewide economic impact.